

3. The executive budget contains proposals to fund new provider rate increases in the 2003 biennium using \$3,056,827 of the tobacco trust interest. It is assumed that the budget will be authorized at that level.
4. This bill, as drafted, anticipates expending from the interest and earnings on the Montana tobacco settlement trust fund. However, revenues from the trust interest are currently fully expended in the executive budget and this fiscal note assumes the bill would need to be funded from general fund.
5. Based on the long-term rate for funds managed by the Board of Investments, the interest for the tobacco trust fund is 7.391% for FY 2002 and 7.378% for FY 2003.
6. These rates will define the level of funding at \$147,820 in FY 2002 and \$147,560 in FY 2003.
7. One .50 FTE (grade 15) will be needed to manage the program. This FTE would establish rules, assist the consortium, manage and develop contracts and determine financial eligibility. The cost for this FTE will be \$20,549 per year.
8. Operating cost for rent, travel and supplies is estimated to be \$2,000 per year.
9. Equipment cost for the new FTE is estimated to be \$4,000 in the first year.
10. It is estimated that \$10,000 per year in contract cost for consultants.
11. The remaining \$111,271 in FY 2002 and \$115,011 in FY 2003 would be granted to individuals who are Montana cancer patients and who are participating in a clinical drug trial.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
FTE	0.50	0.50
<u>Expenditures:</u>		
Personal Services	\$ 20,549	\$ 20,549
Operating Expenses	12,000	12,000
Equipment	4,000	0
Benefits	<u>111,271</u>	<u>115,011</u>
TOTAL	\$147,820	\$147,560
<u>Funding:</u>		
General Fund (01)	\$147,820	\$147,560
<u>Net Impact to Fund Balance (Revenue minus expenditure):</u>		
State Special Revenue (02)	(\$147,820)	(\$147,560)

TECHNICAL NOTES:

1. This bill does not specify whether the income earned is based on a single year or the biennium.
2. The bill would put the money in a special revenue account. The funds to be expended would require appropriation through the biennial legislative appropriation process.

